https://www.financial-planning.com/news/whiskey-as-an-alternative-investment-for-wealth-clients

Mark Littler is a U.K.-based whisky broker and consultant.
Courtesy photo

Should clients take a shot at investing in whiskey?
By Rob Burgess
August 06, 2025, 6:06 p.m. EDT

Though it might appear simple on the surface, investing in Scotch whisky, whiskey or bourbon can be an endlessly complicated proposition.

For example, Scotch whisky comes from Scotland. Whiskey is from Ireland and the U.S. Similar to the location-specific aspect of Scotch whisky, a subset of whiskey is bourbon, which is traditionally associated with spirits produced in Kentucky.

Because of the intricacies involved, advisors should make sure interested clients tread carefully to avoid pitfalls.

However, experts say when purchased and stored correctly, the right brown spirit can be a solid alternative investment.

Collecting is about more than just what's inside
As he works with collectors and investors worldwide, Mark Littler, a U.K.-based whisky broker and consultant, has clients who spend hundreds of thousands annually on rare bottles and casks.

In his experience, few collectors begin with the intention of drinking their rare bottles, but almost all are eventually drawn into the history and culture, he said.

"Visits to distilleries often feel like pilgrimages, and the emotional connection deepens from there," he said.

In addition to the liquor itself, the presentation of the packaging has changed dramatically over time, said Littler. Collaborations with artists and luxury brands, such as Macallan x Bentley, Dalmore's Luminary series or the Glenlivet 55-Year-Old Eternal Collection, "have elevated many bottles to objects of design."

"Hyper-luxury releases are increasingly displayed like artworks, while more accessible collections often take pride of place on backlit shelves in bespoke whisky rooms," he said.

And while he does not personally manage portfolios that include rare whiskey, Eric Croak, president of Croak Capital in Toledo, Ohio, said he is "very familiar" with individuals who treat collectible spirits as a quasi-asset class.

"Think 25 bottles at $5,000 each, stored in humidity-controlled cabinets with insurance policies attached," he said.

Most of them do not buy to drink, said Croak. They buy to curate.

"Some hold on for eight years or longer, tracking auction trends and bottling releases like traders follow earnings calls," he said. "What they are really doing is speculating on scarcity in a category where taste becomes less important than provenance."

The most sought-after brands
From an investment and prestige angle, Macallan remains the most sought-after Scotch whisky brand by far, but Dalmore and Bowmore are also held in high regard.

However, Littler said more serious collectors often favor cult distilleries like Port Ellen, Brora and Springbank, where the liquid itself is the main draw.

Investors should avoid being led by marketing hype, he said.

"Many modern releases are priced based on boom-era expectations, not current demand," he said. "Brands like Macallan work on five-year product cycles, meaning we're now seeing high-priced products land during a downturn."

In addition to Macallan, consistent interest has also been seen in distilleries like Glenfiddich or Yamazaki, especially limited releases from the 1960s through 1980s, said Croak. A Yamazaki 55-Year-Old went for almost $800,000 not long ago "and that kind of sale gives collectors a pricing floor," said Croak.

"But the bulk of this crowd is buying $1,500 to $15,000 bottles, often in lots of three or more, to ride the next auction cycle," he said. "It is part consumer psychology, part status flex and part long-game investing."

Choosing between casks and bottles

During the production process, the liquor is stored and transported in wooden containers called casks, where it is aged. (Barrels, hogsheads and butts are all various sizes of casks.)

When investing in whiskey, collectors have to decide whether to invest in bottles or casks.

If investors are buying casks, the No. 1 rule is to secure a delivery order, the legal document that proves true ownership, said Littler.

"Recent high-profile collapses in the cask investment space have exposed the risks of third-party managed schemes where investors didn't actually own the stock," he said.

When it comes to bottles, most activity happens through specialist online auctions. More than 30,000 bottles a month change hands this way, said Littler.

"For casks, it's a much more opaque market that requires specialist guidance from a broker and access to trade-only networks," he said.

One investor who has her net worth dispersed across real estate, equities, high-yield savings accounts and whiskey barrels is Morgan Salsman. In 2022, she founded the bourbon investment and consulting business LQD Assets in Bardstown, Kentucky.

Since then, her firm has raised over $21 million from investors to purchase and manage aging bourbon barrels. They have also developed over 110,000 square feet of bonded warehouse space, and supported 25-plus whiskey brands with consulting services around product development, sourcing and logistics. The firm currently has around 100 investing entities across 15 states.

So far, Salsman said they have "returned millions into investors' pockets with recognized returns averaging well over 20% annually from inception." They currently manage about 10,000 barrels, with several thousand more under contract, and store over 65,000 barrels. Whiskey barrel investment is a "phenomenal way" to diversify an investment portfolio, she said.

"It acts as a hedge against other markets and economic downturns, while also mirroring real estate with a tangible, asset-backed investment that appreciates in value over time," she said.

As long as the whiskey is in the barrels, it will continue to appreciate in value, said Salsman. Once it is put into a bottle, the aging and appreciation stops. That is, of course, unless it becomes an extremely rare and sought-after bottle.

"This enters a whole other world of whiskey as an investment," she said.

Buyer beware

Whiskey can be a strong long-term store of value, but it comes with important caveats.

The risk of counterfeits in whisky is much lower than in wine or watches, largely because the returns haven't historically justified widespread forgery, said Littler. The bigger issue is fraud, particularly with cask sales, where the main risk is being sold a product that either doesn't exist or is massively overpriced, he said.

"The best protection is to work with a reputable broker or consultant and always verify provenance, especially when buying casks," he said. "With bottles, stick to trusted platforms or retailers."

For someone who wants to start building this kind of portfolio, the most important thing is provenance, said Croak. Stick with names that have transaction history in public records, he said.

"Get bottles with paperwork and skip anything without serial verification or distillery authentication," he said. "I would suggest buying storage or insurance services through firms that specialize in collectible spirits and avoiding third-party online marketplaces where counterfeits slip through."

In addition to fraud, market bubbles are also an ongoing concern.

From 2020 to 2022, the market saw a speculative boom driven more by hype than genuine scarcity, said Littler.

"As with all luxury markets, we're now seeing a correction, and the bottles that were most overhyped are now showing the steepest declines," he said.